

**THE CARDIFF PROPERTY PUBLIC LIMITED COMPANY
AND ITS SUBSIDIARIES
LEI: 213800GE3FA4C52C1N05**

FOR RELEASE

7.00 AM

30 November 2023

THE CARDIFF PROPERTY PLC

(The Group, including Campmoss, specialises in property investment and development in the Thames Valley. The total portfolio including the jointly controlled Campmoss investment and development portfolio, valued in excess of £22m, is primarily located to the west of London, close to Heathrow Airport and in Surrey and Berkshire.)

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

Highlights:

		2023	2022
Net Assets	£'000	29,975	29,812
Net Assets Per Share	£	28.44	27.56
Profit Before Tax	£'000	1,262	2,697
Earnings Per Share – Basic and diluted	pence	104.62	218.23
Dividend Per Share	pence	22.0	20.5
Gearing	%	Nil	Nil

Richard Wollenberg, Chairman, commented:

“During the early part of the financial year the Thames Valley property market experienced a recovery from previous low levels of activity. However, this did not follow through for the remaining period to September this year as tenants and investors were reluctant to commit to the property market resulting in a marked downturn in new lettings and investment sales particularly in the office sector.

Office, business unit and retail rents have been adversely affected by the reduction in activity although at Windsor and Maidenhead, our business unit rents have retained increases experienced over the past few years. Office rents remain under pressure with “working from home” continuing to affect both demand and occupancy.

Primarily as a result of rising interest rates, investment yields across the commercial sector have increased placing pressure on capital values.”

For further information:

The Cardiff Property plc
Shore Capital

Richard Wollenberg
Patrick Castle

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THE CARDIFF PROPERTY PUBLIC LIMITED COMPANY AND ITS SUBSIDIARIES

PRELIMINARY RESULTS FOR THE YEAR ENDED 30 SEPTEMBER 2023

Chairman's Statement

Dear Shareholder,

During the early part of the financial year the Thames Valley property market experienced a recovery from previous low levels of activity. However, this did not follow through for the remaining period to September this year as tenants and investors were reluctant to commit to the property market resulting in a marked downturn in new lettings and investment sales particularly in the office sector.

Office, business unit and retail rents have been adversely affected by the reduction in activity although at Windsor and Maidenhead, our business unit rents have retained increases experienced over the past few years. Office rents remain under pressure with "working from home" continuing to affect both demand and occupancy.

Primarily as a result of rising interest rates, investment yields across the commercial sector have increased placing pressure on capital values.

The Group's residential interests primarily in Bracknell benefitted from a strong rental market. All apartments are let on Assured Shorthold Tenancy Agreements which are renewed on an annual basis.

During the year the Group, including Campmoss our 47.62% Joint Venture, completed a number of lettings mainly to existing tenants renewing leases. Rent reviews where applicable were agreed at marginal increases.

Liaison with the Group's tenants which comprise mainly small businesses remains a priority. The majority of retail tenants continued to trade during the Covid period and have subsequently grown their businesses.

At The Priory, Burnham planning permission has been secured for a 75-bedroom Care Home and several opportunities for the site are being pursued.

At Windsor and Maidenhead, planning proposals continue to be discussed with the Local Authority and we are hopeful of a positive outcome. Shareholders should recognise that planning costs have risen substantially as a result of applications now requiring numerous independent reports. Planning lead in time and response have lengthened considerably leading to increased costs and uncertainties. The position is unlikely to improve in the short term.

FINANCIAL

For the year to 30 September 2023, the Group profit before tax was £1.3m (2022: £2.7m). This includes a negative revaluation of £0.3m (2022: positive revaluation £0.3m). Our share of after tax profit in Campmoss and its subsidiary amounted to £0.53m (2022: £0.87m). The Company received a dividend of £2.0m (2022: £3.0m) from its investment in Campmoss.

Revenue for the year which represented gross rental income, excluding Campmoss, totalled £0.7m (2022: £0.7m).

The profit after tax attributable to shareholders for the financial year was £1.11m (2022: £2.41m) and the earnings per share was 104.62p (2022: 218.23p).

At the year-end, the Company's commercial portfolio was valued by Kempton Carr Croft at a total of £5.64m (2022: £5.97m). This valuation excludes the company's freehold office property which was also valued by Kempton Carr Croft and is included in the balance sheet at valuation classified as property, plant and equipment. The decline in capital values is due to the rapid increase in interest rates over the year.

Property when completed and retained for re-sale is held as stock at the lower of cost or net realisable value. At the year-end this related to commercial property at The Windsor Business Centre owned by First Choice Estates plc, the Company's fully owned subsidiary and residential apartments held by Campmoss.

The Group's total property portfolio, including the jointly controlled Campmoss group, was valued at £22.9m (2022: £22.3m).

The Company's share of the net assets of Campmoss group was £12.28m (2022: £13.76m) this is after receipt of dividends from Campmoss of £2.0m (2022: £3.0m).

The Group's total net assets as at the year-end were £29.98m (2022: £29.81m) equivalent to £28.44 per share (2022: £27.56) an increase of 3.2% over the year (2022: 8.1%). The Group, including Campmoss, has adequate financial facilities and resources to complete works in progress as well as the envisaged development programme. Cash balances are held on instant or short-term deposit. At the year-end, the company had nil gearing (2022: nil).

During the year the company purchased and cancelled 27,977 (2022: 34,199) ordinary shares at a total cost of £0.68m (2022: £0.79m).

The Company may hold in treasury any of its own shares purchased. This gives the Company the ability to reissue treasury shares and provides greater flexibility in the management of its capital base. At the year end the Company held nil (2022: nil) shares in treasury. Any shares purchased by the Company not held in treasury will be cancelled and the number of shares in issue reduced accordingly.

The Company proposes to continue its policy of purchasing its own shares, whether to be held in treasury or to be cancelled, and a resolution renewing the directors' authority will be placed before the forthcoming Annual General Meeting to be held on 18 January 2024. This authority will only be exercised in circumstances where the Directors regard such purchases to be in the best interests of shareholders as a whole. Full details are available on the Company's website www.cardiff-property.com.

IFRS accounting requires that deferred tax is recognised on the difference between, the cost of properties, including applicable indexation and quoted investments and their current market value. However, IFRS accounting does not require the same treatment in respect of the Group's unquoted investment in Campmoss, our 47.62% owned joint venture, which represents a substantial part of the company's net assets. Whilst provision is made in the Campmoss accounts for deferred tax, should the shares held in Campmoss be disposed of, for indicative purposes, based on the value in the Company's balance sheet at the year-end this would result in a tax liability of £3.07m (2022: £3.44m) equivalent to £2.91 (2022: £3.18) per share calculated using a tax rate of 25% (2022: 25%). This information is provided to shareholders as an additional non-statutory disclosure.

DIVIDEND

The Directors recommend a final dividend of 16.0p per share (2022: 15.0p) making a total dividend for the year of 22.0p (2022: 20.5p), an increase of 7.3%. The final dividend will be paid on 2 February 2024 to shareholders on the register at 19 January 2024.

THE PROPERTY PORTFOLIO

The Group, including Campmoss, continues to concentrate its property activities in the Thames Valley, primarily to the west of London, close to Heathrow Airport and in Surrey, Berkshire and Buckinghamshire.

During the year the Company completed a number of new lettings in Maidenhead whilst progressing development plans at Windsor.

The Campmoss group property portfolio is predominantly let reflecting an active management policy. At The Priory, Stomp Road, Burnham a planning permission was granted for a new 75-bedroom care home whilst retaining the existing business centre. As mentioned earlier a number of opportunities are being considered. The current value of The Priory has been increased to £4.9m (2022: £4.3m).

The Groups property portfolio (including Campmass) contains 43% retail, 7% business units, 13% residential and 37% offices (by value).

During the year, the Group investigated a number of acquisitions in the Thames Valley but in view of the uncertain market and economic conditions asking prices were considered to be unviable and therefore no purchases took place.

FOCUS ON ESG

The Group has a strategy of providing our tenants with environmentally sustainable and energy efficient and functional buildings when possible bearing in mind physical and financial constraints.

A large part of our property portfolio is relatively new having been developed by the Group within the last ten years. Where refurbishment has taken place the management team have given thought to all aspects of ESG together with related Health and Safety issues and implemented where viable and possible.

In respect of current planning applications design emphasis has been given towards sustainability and green policies as well as being energy efficient. Our aim is to create a good working environment and achieving a BREEAM rating of very good.

We continue to consider how the business can contribute towards the government policy of achieving a net zero economy. Due to the size of the business the amount of carbon emissions is very much limited however we continue to monitor and take appropriate action to reduce our impact on the climate.

The Company has included in this Annual Report climate-related financial disclosures consistent with the TCFD's recommendations and eleven recommended disclosures as required by LR 9.8.6 R (8).

QUOTED INVESTMENTS

The Company retains a small portfolio of quoted short-term retail bonds and equity investments with the former providing an income stream. The value has marginally decreased over the year and with the Retail Bond holdings approaching their maturity dates the proceeds when reinvested should attract a higher rate of return.

The quoted equity investments include Aquila Services Group plc (the UK's largest affordable housing consultancy group) and Galileo Resources plc (a mining exploration company). I remain a Non-Executive Director of both quoted companies.

RELATIONSHIP AGREEMENT

The Company has in place a legally binding relationship agreement with myself, its controlling shareholder, to address the requirements of LR9.2.2AD of the Listing Rules.

MANAGEMENT AND TEAM

The Group's policy of close liaison with its tenants has been very challenging and I therefore wish to take this opportunity to thank all members of our small property team and our Joint Venture partners for their support and achievements during the year.

OUTLOOK

The prospect of high interest rates remaining over the next few years and the political and current economic uncertainty will inevitably limit any sustained recovery in the property market. The Thames Valley continues to retain its prime location status and should benefit from any recovery in the sector. There are many factors that will determine the direction of the property market over the next financial year, and I look forward to reporting further progress at the half year stage.

J. Richard Wollenberg

Chairman

29 November 2023

**Consolidated Income Statement
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023	2022
	£'000	£'000
Revenue	662	703
Cost of sales	(52)	(64)
	<hr/>	<hr/>
Gross profit	610	639
Administrative expenses	(569)	(461)
Other operating income	646	574
	<hr/>	<hr/>
Operating profit before fair value movement on investment properties	687	752
Fair value (loss)/gain on investment properties	(332)	299
	<hr/>	<hr/>
Operating profit	355	1,051
Financial income	314	80
Financial expense	(6)	(8)
Profit on sale of investment properties	-	706
Profit on the sale of investments	74	-
Share of profit of Joint Venture	525	868
	<hr/>	<hr/>
Profit before taxation	1,262	2,697
Taxation	(148)	(291)
	<hr/>	<hr/>
Profit for the financial year attributable to equity holders	1,114	2,406
	<hr/> <hr/>	<hr/> <hr/>
Earnings per share on profit for the financial year – pence		
Basic and diluted	104.62	218.23
	<hr/> <hr/>	<hr/> <hr/>
Dividends		
Final 2022 paid 15.0p (2021: 13.5p)	161	150
Interim 2023 paid 6.0p (2022 5.5p)	64	60
	<hr/>	<hr/>
	225	210
	<hr/> <hr/>	<hr/> <hr/>
Final 2023 proposed 16.0p (2022: 15.0p)	162	162
	<hr/> <hr/>	<hr/> <hr/>

These results relate entirely to continuing operations.

**Consolidated statement of comprehensive income and expense
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023	2022
	£'000	£'000
Profit for the financial year	1,114	2,406
Items that cannot be reclassified subsequently to profit or loss		
Net change in fair value of other properties	(10)	59
Net change in fair value of investments at fair value through comprehensive income	(37)	(94)
	_____	_____
Total comprehensive income and expense for the year attributable to the equity holders of the Parent Company	1,067	2,371
	=====	=====

**Consolidated Balance Sheet
AT 30 SEPTEMBER 2023**

	2023 £'000	2023 £'000	2022 £'000	2022 £'000
Non-current assets				
Freehold investment properties		5,655		5,985
Property, plant, and equipment		290		300
Right of use asset		135		145
Investment in Joint Venture		12,283		13,758
Other financial assets		778		898
		<hr/>		<hr/>
		19,141		21,086
Current assets				
Inventory and work in progress	715		694	
Trade and other receivables	274		223	
Term deposits	10,384		4,041	
Cash and cash equivalents	405		4,912	
	<hr/>		<hr/>	
		11,778		9,870
Total assets		<hr/> 30,919 <hr/>		<hr/> 30,956 <hr/>
Current liabilities				
Trade and other payables	(540)		(599)	
Corporation tax	(162)		(198)	
	<hr/>		<hr/>	
		(702)		(797)
Non-current liabilities				
Lease liability		(165)		(172)
Deferred tax liability		(77)		(175)
		<hr/>		<hr/>
Total liabilities		(944)		(1,144)
Net assets		<hr/> 29,975 <hr/>		<hr/> 29,812 <hr/>
Equity				
Called up share capital		210		216
Share premium account		5,076		5,076
Other reserves		2,409		2,450
Investment property fair value reserve		2,193		2,095
Retained earnings		20,087		19,975
		<hr/>		<hr/>
Total equity		29,975		29,812
		<hr/> <hr/>		<hr/> <hr/>
Net assets per share		£28.44		£27.56
		<hr/> <hr/>		<hr/> <hr/>

**Consolidated Cash Flow Statement
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	2023	2022
	£'000	£'000
Cash flows from operating activities		
Profit for the year	1,114	2,406
<i>Adjustments for:</i>		
Depreciation right of use assets	10	10
Financial income	(314)	(80)
Financial expense	6	8
Profit on sale of investment property	-	(706)
Profit on sale of investments	(74)	-
Share of profit of Joint Venture	(525)	(868)
Fair value (loss)/gain on investment properties	332	(299)
Taxation	148	291
	<hr/>	<hr/>
Cash flows from operations before changes in working capital	697	762
Acquisition of inventory and work in progress	(21)	(5)
(Increase)/decrease in trade and other receivables	(67)	(67)
(Decrease)/increase in trade and other payables	(58)	(128)
	<hr/>	<hr/>
Cash generated from operations	551	562
Tax paid	(268)	(218)
	<hr/>	<hr/>
Net cash flows from operating activities	283	344
	<hr/>	<hr/>
Cash flows from investing activities		
Interest received	314	81
Dividend from Joint Venture	2,000	3,000
Proceeds from sale of investment property	-	1,000
Proceeds from bond redemption	80	-
Acquisition of investment property, and plant and equipment	(2)	(39)
Proceeds from sale of investments	79	81
Increase in held term deposits	(6,343)	(2,134)
	<hr/>	<hr/>
Net cash flows from investing activities	(3,872)	1,989
	<hr/>	<hr/>
Cash flows from financing activities		
Purchase of own shares	(679)	(791)
Lease payments	(14)	(14)
Dividends paid	(225)	(210)
	<hr/>	<hr/>
Net cash flows (used in)/from financing activities	(918)	(1,015)
	<hr/>	<hr/>
Net (decrease)/ increase in cash and cash equivalents	(4,507)	1,318
Cash and cash equivalents at beginning of year	4,912	3,594
	<hr/>	<hr/>
Cash and cash equivalents at end of year	405	4,912
	<hr/> <hr/>	<hr/> <hr/>

**Consolidated statement of changes in equity
FOR THE YEAR ENDED 30 SEPTEMBER 2023**

	Called up share capital	Share premium account	Other reserves	Investment property fair value reserve*	Retained earnings	Total equity
	£'000	£'000	£'000	£'000	£'000	£'000
At 30 September 2021	223	5,076	2,478	1,814	18,851	28,442
Profit for the year	-	-	-	-	2,406	2,406
Other comprehensive income – revaluation of investments	-	-	(94)	-	-	(94)
Net change in fair value of own use freehold property	-	-	59	-	-	59
<i>Transactions with equity holders</i>						
Dividends	-	-	-	-	(210)	(210)
Purchase of own shares	(7)	-	7	-	(791)	(791)
Total transactions with equity holders	(7)	-	7	-	(1,001)	(1,001)
Fair value movements on investment properties - Cardiff	-	-	-	299	(299)	-
Disposal of property - Cardiff	-	-	-	(171)	171	-
Fair value movements on investment properties – Campmoss Group	-	-	-	153	(153)	-
At 30 September 2022	216	5,076	2,450	2,095	19,975	29,812
Profit for the year	-	-	-	-	1,114	1,114
Other comprehensive income – revaluation of investments	-	-	(37)	-	-	(37)
Net change in fair value of own use freehold property	-	-	(10)	-	-	(10)
<i>Transactions with equity holders</i>						
Dividends	-	-	-	-	(225)	(225)
Purchase of own shares	(6)	-	6	-	(679)	(679)
Total transactions with equity holders	(6)	-	6	-	(904)	(904)
Fair value movements on investment properties - Cardiff	-	-	-	(332)	332	-
Deferred taxation on fair value movement on investment properties - Cardiff	-	-	-	98	(98)	-

Fair value movements on investment properties – Campmoss Group	-	-	-	332	(332)	-
At 30 September 2023	210	5,076	2,409	2,193	20,087	29,975

* - Includes fair value movements on investment properties held by Campmoss Group, our Joint Venture, which are presented in investment property fair value reserve to demonstrate these are unrealised.

Notes to the Financial Statements FOR THE YEAR ENDED 30 SEPTEMBER 2023

1. Basis of preparation

The consolidated results for the year ended 30 September 2023 and 2022 are prepared in accordance with UK-adopted international accounting standards (“UK-adopted IAS”) and those parts of the Companies Act 2006 applicable to companies reporting under IFRS and have been incorporated into the principal accounting policies.

The financial information set out above does not constitute the company’s statutory financial statements for the years ended 30 September 2023 or 30 September 2022 but is derived from those financial statements. Statutory financial statements for 2021 have been delivered to the Registrar of Companies and those for 2022 will be delivered in due course. The auditor has reported on those financial statements; their reports were (i) unqualified, (ii) did not include a reference to any matters to which the auditor drew attention by way of emphasis without qualifying their report and (iii) did not contain a statement under section 498 (2) or (3) of the Companies Act 2006 in respect of the financial statements for 2023 nor 2022.

Going concern

The financial statements have been prepared on a going concern basis, which assumes that the Group will continue to meet its liabilities as they fall due. The Group’s activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman’s Statement and Strategic Report. The financial position of the Group, its property portfolio under management, asset base, liquidity and key performance indicators.

The Group has sufficient financial resources to enable it to continue to trade and to complete the current maintenance and development programme. The Group is ungeared, and the cash flow forecasts do not assume any debt being required. Therefore, the Directors believe that the Group is well placed to manage its business risks successfully despite the current economic uncertainty.

The Group is in the enviable position of having significant cash balances. At 30 September 2023, the Cardiff Group had cash balances of £0.4m and a further £10.4m term deposits (generally with maturity dates of 95 days), in addition the Company has investments of £0.8m of which £0.7m are readily marketable. The Group has an operating cost base including tax and dividends of under £1m per annum so even with no income for a number of years the Group would remain solvent.

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

The Cardiff Group receives a management fee from Campmoss of around £0.5m per annum, there is no reason to assume this income would not be received as the Campmoss Group had cash balances at 30 September 2023, of £6.5m and a further £4.7m term deposits (generally with maturity dates of 95 days).

New, revised or changes to existing financial reporting standards

Subject to the adoption of the IFRS's available for application noted below, this announcement is prepared on the basis of the accounting policies as set out in the most recently published set of annual financial statements.

IFRS

A number of new standards and amendments to standards and interpretations have been issued but are not yet effective for the current accounting period. None are expected to have a material impact on the consolidated financial statements of the Group.

2. Segmental analysis

The Group manages its operations in two segments, being property and other investment and property development. Property and other investment relates to the results for The Cardiff Property Company Limited where properties are held as investment property with Property Development relating to the results of First Choice Estates Plc and Thames Valley Retirement Homes Limited. The results of these segments are regularly reviewed by the Board as a basis for the allocation of resources, in conjunction with individual site investment appraisals, and to assess their performance. Information regarding the results and net operating assets for each reportable segment are set out below:

	Property and other investment	Property Development	Eliminations	2023 Total
	£'000	£'000	£'000	£'000
Rental income (wholly in the UK)	436	226	-	662
Profit before taxation	829	433	-	1,262
Net operating assets				
Assets	28,854	5,246	(3,181)	30,919
Liabilities	(3,882)	(243)	3,181	(944)
Net assets	24,972	5,003	-	29,975

Notes to the Financial Statements
FOR THE YEAR ENDED 30 SEPTEMBER 2023 (continued)

	Property and other investment	Property Development	Eliminations	2022 Total
	£'000	£'000	£'000	£'000
Rental income (wholly in the UK)	494	209	-	703
Property sales	706	-	-	706
Profit before taxation	2,433	264	-	2,697
Net operating assets				
Assets	27,006	5,038	(1,088)	30,956
Liabilities	(1,936)	(296)	1,088	(1,144)
Net assets	<u>25,070</u>	<u>4,742</u>	<u>-</u>	<u>29,812</u>

“Eliminations” relate to inter segment transactions and balances which cannot be specifically allocated but are eliminated on consolidation.

3. Earnings per share

Earnings per share has been calculated in accordance with IAS 33 - Earnings Per Share using the profit after tax for the financial year of £1,114,000 (2022: £2,406,000) and the weighted average number of shares as follows:

	Weighted average number of shares	
	2023	2022
Basic and diluted shares	<u>1,064,204</u>	<u>1,102,357</u>
Earnings per share (p)	<u>104.62</u>	<u>218.23</u>

There is no difference between basic and diluted shares as the Company has no potentially dilutive instruments in issue.

Financial Calendar
30 November 2023
18 January 2024
18 January 2024
19 January 2024
2 February 2024
May 2023
30 September 2024

Results announced for the year ended 30 September 2023
Annual General Meeting
Ex-dividend date for the final dividend
Record date for the final dividend
Final dividend to be paid
Interim results for 2024 to be announced
Year end

Directors and Advisers

Directors

J Richard Wollenberg
Chairman and chief executive

Karen L Chandler FCA
Finance director

Nigel D Jamieson BSc, FCSI
Independent non-executive director

Secretary

Karen L Chandler FCA

Non-executive director of wholly owned subsidiary

First Choice Estates plc

Derek M Joseph BCom, FCIS

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Registered office

56 Station Road
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Surrey TW20 9LF

Statutory Auditor

MHA

Stockbrokers and financial adviser

Shore Capital

Bankers

HSBC Bank Plc

Solicitors

Blake Morgan LLP
Charsley Harrison LLP

Registrar and transfer office

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Registered number

00022705